

REQUEST FOR INTEREST
National Foreclosure Mitigation Counseling (NFMC) -Round 5

As of November 30, 2010, the Fiscal Year 2011 Appropriations Bills have not become law, and the federal government is operating under a Continuing Resolution which maintains federal funding at Fiscal Year 2010 levels. Understanding the demand for funds to support foreclosure counseling around the nation, NeighborWorks America is moving forward with the application process for the fifth round of the NFMC Program so it can begin once the Appropriations Bills pass and the NFMC Program funding becomes law.

Please note that Round 5 of the NFMC Program is contingent upon the program being funded in Fiscal Year 2011. Provisions of the NFMC Program, as stated in this Request for Interest, are subject to change based on the terms of the legislation.

The Hawaii Housing Finance and Development Corporation (HHFDC) plans to apply for federal funds for foreclosure mitigation counseling and seeks qualified entities to provide these services. Applications for NFMC -Round 5 funds shall be received at the Hawaii Housing Finance and Development Corporation, Attention: PEO, 677 Queen Street, Suite 300, Honolulu, Hawaii 96813 until 2:00 p.m., Hawaii Standard Time on December 20, 2010. Applications received after the time and date fixed shall not be considered. The Application form may be downloaded from the HHFDC website: <http://hawaii.gov/dbedt/hhfdc>

To be eligible for funding under the NFMC Program, applicants must have **demonstrated experience** in providing foreclosure intervention counseling services. Applicants must have:

- A. Worked successfully with financial institutions and servicers, and with clients facing default, delinquency, and foreclosure; AND
- B. Documented counseling capacity, outreach capacity, past successful performance and positive outcomes with documented counseling plans (including post mortgage foreclosure mitigation counseling), loan workout agreements, and loan modification agreements; AND
- C. Achieved at least *one* of the following:
 - 1) Provided foreclosure counseling services that included documented Action Plans to at least 50 people during the past year or 20 people during the past quarter; OR
 - 2) 75 percent or more of the service area is rural and Applicant provided foreclosure intervention counseling services which included documented Action Plans to at least 25 people during the past year or 10 people during the past quarter; OR
 - 3) Provided foreclosure counseling services which include documented Action Plans to at least 12 people during the past year AND has at least one comprehensively trained and qualified foreclosure counselor on staff.

Evaluation criteria (Total 25 points):

Factor	Points
Demonstrated experience in providing foreclosure intervention counseling services	10
Demonstrated capacity to obtain, track, and report household level data under the NFMC Program	5
HUD-approved housing counselor or meets HUD's housing counseling approval requirements	10

Potential applicants interested in responding to this solicitation may do so by contacting Janice Takahashi, HHFDC, at 587-0639, Fax (808) 587-0600, or email janice.n.takahashi@hawaii.gov.

HHFDC reserves the right to incorporate or not incorporate any recommendations presented in response to this request in its application for the grant. Neither the HHFDC nor the interested applicant has any obligation under the request.



KAREN SEDDON
Executive Director
Hawaii Housing Finance and Development Corporation

Internet Posting: December 9, 2010

COUNSELING LEVELS

Counseling can include a range of activities depending on the client's financial situation and the severity of the mortgage delinquency. Many clients in the early stages of delinquency may benefit from brief counseling sessions that result in an Action Plan they can follow to get back on track and prevent foreclosure. Some clients will be eligible for reverse mortgages. More complex workouts, sometimes involving negotiations with mortgage lenders or servicers, require staff with additional expertise and will take longer to resolve. Recognizing this, NeighborWorks has developed a tiered structure for defining and estimating the cost of counseling activity, as described below. For the purpose of projecting counseling budgets, the value of Level One counseling has been set at \$150 and Level Two at \$300.

“Level One” Counseling: To qualify for a Level One payment (\$150), a counseling agency will be required to complete all five of the following steps:

1. Organization must conduct an intake including client name and address, basic demographic information, lender and loan information, and reason for delinquency. The National Industry Foreclosure Counseling Standards provide guidance on what should be included in an Intake Form (See www.nw.org/nfmc). It is recommended, but not required, that contact information for one additional person is collected at intake in the event that client moves or is otherwise unable to be reached following initial intake.
2. Organization shall collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the data collection system for this grant, (b) open files to be reviewed for program monitoring and compliance purposes, and (c) conduct follow-up with client related to program evaluation. Clients may opt-out of (c) above only, but proof of this opt-out must be retained in the client's file. Organization must also allow client access to its privacy policy statement. NeighborWorks will make a template authorization form available for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms.
3. Organization must develop a budget for the client based on client's oral representation of their expenses, debts, and available sources of income.
4. Organization must develop a written Action Plan for follow up activities to be taken by the client and review this Action Plan with the client. The National Industry Foreclosure Counseling Standards provide guidance on what should be included in an Action Plan with the client. The National Industry Foreclosure Counseling provide guidance on what should be included in an Action Plan (See www.nw.org/nfmc). When developing this action plan, it is expected that the counselor will do a comprehensive analysis of the homeowner's situation and recommend the best plan of action. If the homeowner seeks counseling to determine whether they qualify for the *Making Home Affordable* Program, for any subsequent loan modification program sponsored by the U.S. Department of Treasury, the counselor must work to determine the homeowner's eligibility before completing the Level One session. Even if the homeowner seeking counseling does not ask about the program, it is expected that the Level One session will include a screening for eligibility. Documentation that a screening occurred should be included in the Action Plan or client file. A checklist of items that should be discussed as part of the screening entitled “*Exhibit 5: National Foreclosure Mitigation Counseling Program Making Home Affordable Eligibility Determination Checklist*” is attached.

COUNSELING LEVELS

5. Organization must determine and document if client is eligible for a *Making Home Affordable* Program refinance or modification.
- *Refinance.* Organization must determine and document eligibility by requesting information and analyzing if: (a) client is the owner occupant of a one- to four-unit property (required by the NFMFC Program, not HARP); (b) loan is a first lien, conventional mortgage that is owned or guaranteed by Fannie Mae or Freddie Mac – counselor will verify this by checking the GSE's web look-up tools; (c) client is current on mortgage (client hasn't been more than 30 days late on mortgage payment in the last 12 months, or, if client has had the loan for less than 12 months, he/she has never missed a payment); (d) the amount client owes on the first mortgage is 125% or less of the house's current value; (e) client has income sufficient to support the new mortgage payments; and (f) the refinance improves the long-term affordability or stability of the loan.
 - *Modification.* Organization must determine and document eligibility by requesting information and analyzing if: (a) the mortgage loan is a first lien mortgage loan originated on or before January 1, 2009; (b) the mortgage has not been previously modified under the Home Affordable Modification Program (HAMP); (c) the mortgage loan is delinquent or default is reasonably foreseeable; (d) the property securing the mortgage loan is not vacant or condemned; (e) the mortgage loan is secured by a one- to four-unit property, one unit of which is the borrower's principal residence; (f) client's current monthly mortgage payment ratio is greater than 31%; and (g) the current unpaid principal balance of the mortgage is less than \$729,750 for a one-unit property, \$934,200 for a two-unit property, \$1,129,250 for a three-unit property, and \$1,403,400 for a four-unit property.
 - *FHA Loans.* Organization must determine and document eligibility by requesting information and analyzing if: (a) the client is the owner of a one- to four-unit home; (b) the client is less than 12 payments behind on their mortgage; (c) client has income sufficient to support the new mortgage payments; and (d) with the modification, the client's front end DTI will be more than 31% and their back end DTI will be less than 55%

When reporting for Level One counseling activities, all 5 of these completed documents must be in client file: intake, authorization form, budget, Action Plan, and MHA eligibility determination. Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee or Branch offices.

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"Level Two" Counseling: To qualify for a Level Two payment (\$300), a counseling agency will be required to complete the following four steps:

1. Engage in budget verification during which the counselor reviews documented evidence provided by the client to establish true debt obligations (e.g., credit report), monthly expenses (e.g., monthly bills and banks statements) and spending patterns, and realistic opportunities for income (e.g., returns and pay stubs).
2. If not already on file, organization shall collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow agency to (a) submit client-level information to the data collection system for this grant, (b) open files to be reviewed for program monitoring and compliance purposes, and (c) conduct follow-up with client related to program evaluation. Clients may opt-out of (c) above only, but proof of this opt-out must be retained in the client's file. Organization must also allow client access to its privacy policy statement. NeighborWorks will make a template authorization form available for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms.
3. Steps to obtain a solution outlined in the written Action Plan are taken and documented using counseling notes that indicate date counseling occurred. This could include but is not limited to the following:
 - a. Draft and submit to the servicer a hardship letter that describes the client's situation, reason for delinquency, factors that should be considered when developing a workout plan, and an estimate of the housing cost the client can afford to pay;
 - b. Document an attempt to contact the servicer or lender and, if a workout is possible, fill out and submit forms required by the servicer to move forward with a workout plan, loan modification or other available program. NeighborWorks will endeavor to post e-mail contact information for servicers who have made such information available on the www.nw.org/nfmc website so documentation of attempts to reach servicers is easily captured;
 - c. Complete and submit application for local resource options including refinance programs or rescue funds; and
 - d. Assist in situations where client elects to pursue sale options.
 - e. Collecting and transmitting documentation required for *Making Home Affordable* refinance or modification decisions, if that is what Action Plan dictates.
4. Close-out documentation is completed. For purposes of this grant, "close-out documentation" refers to the documentation of steps taken in #3 above in order to report this client as having received Level Two counseling. All files need to contain a reason for close out and, if applicable, any documentation demonstrating solution. Client data may be uploaded into the data collection system before an outcome is reached, as long as close-out documentation for NFMF Program reporting purposes is in client file.

When reporting for Level Two counseling activities, all of these completed documents must be in client file: authorization form, verified budget, documentation of steps taken based upon

COUNSELING LEVELS

Action Plan, and close-out documentation. Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee or Branch offices.

Making Home Affordable/Post-Mitigation Counseling

In addition to the funding categories described above, the National Foreclosure Mitigation Program allows Grantees to use up to 30% of Counseling Awards to fund "Level Four," or post-mitigation, counseling.

Borrowers who qualify for *Making Home Affordable* loan modifications but have back end debt-to-income ratios at or above 55% may receive trial loan modifications from participating servicers and be referred by their servicers to a HUD-approved housing counseling agency or NFMFC Program participating agency. Detailed protocol describing the required components of Level Four counseling is found at <http://www.hud.gov/offices/hsg/sfh/hcc/hcprotocol.pdf>.

If a borrower contacts a counseling agency for counseling without having first received a *Making Home Affordable* trial loan modification and being referred by a servicer, and it is determined the borrower may be eligible for the loan modification program, the counselor will work with the borrower to submit an intake package to the servicer. This counseling must conform to Level One and Level Two counseling requirements, as established under the NFMFC Program. If the borrower does receive the *Making Home Affordable* modification and is referred back to the counseling agency because his or her back end debt-to-income ratio is equal to or greater than 55%, the agency can also provide the borrower with Level Four counseling, as described in the Counseling Protocol on HUD's website.

Level Four counseling will be valued at \$450. Because this Level Four will require at least two contacts with the borrower, NFMFC Program Grantees will upload these clients at two points in time. After the first contact, the client can be reported as "Level 4a" at a value of \$300. Once a follow-up appointment has been completed, that client can be reported as "Level 4b" at a value of \$150.

Level Four Counseling constitutes the completion of the following:

Borrower has received a temporary loan modification through the "Making Home Affordable" program and been referred to counseling by a servicer because his or her back end debt-to-income ratio is 55% or greater. The counseling must follow the Counseling Protocol available on HUD's web site at:

http://www.hud.gov/offices/hsg/sfh/hcc/hcc_home.cfm

The preliminary counseling session must include collection of the following to be reported to the NFMFC Program as Level Four (in addition to the client-level data points):

Level 4a

1. Organization shall keep on file proof that client was referred to the agency with a trial Making Home Affordable loan modification for Level Four counseling because his or her back end debt-to-income ratio is 55% or greater. In many cases, this will be a copy of the trial loan modification agreement or the counseling agency referral letter from the servicer stating the reason for referral as high, or noting the calculate ratio. **If there is no letter, or the letter given to the borrower by the servicer does not identify the back end debt-to-income ratio, the agency must first try to confirm**

COUNSELING LEVELS

the reason for the referral from the servicer, and if this cannot be obtained, the counselor can calculate the ratio, and if it is 55% or greater, that client can be funded.

2. Organization shall collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the data collection system for this grant, (b) open files to be reviewed for program monitoring and compliance purposes and to share information among servicer, counselor, and program administrators and their agents, and (c) conduct follow-up with client related to program evaluation. Clients may opt-out of only (c) above, but proof of this opt-out must be retained in the client's file. Organization must also allow client access to its privacy policy statement.
3. Documentation of DTI: The counselor will verify income, debt, and expenses and calculate back end debt-to-income ratio. The back end DTI is the ratio of the borrower's total monthly debt payments to the borrower's Monthly Gross Income. A standard for calculating back end DTI is included in the Counseling Protocol.
4. Create Budget: Counselor will create a crisis budget (if necessary) and long-term budget using standard form and recalculate new back end debt-to-income ratio.
5. Create Action Plan which includes a timeline to eliminate unnecessary debt, minimize expenses, increase income, and increase savings.
6. Discuss terms of mortgage and how to stay current, even if/when rate resets. Explain incentive component and that redefaulting loans will be terminated from the program. A loan will be considered to have redefaulted when the borrower reaches a 90-day delinquency status under the MBA delinquency calculation. Note: in order to successfully complete the initial trial period (at minimum three payments at modified terms), a borrower must be current by the third payment.
7. Refer to job training or referral programs if applicable.
8. Establish follow-up schedule with counselor, with at least one additional appointment, as required by action plan. It is expected that a borrower will notify their counselor if they have a significant change in circumstances.
9. Establish that budget (including analysis of actual income, debt and expenses) must be tracked over the course of counseling.
10. The counselor must document each session, including the borrower's back end debt-to-income ratio and the borrower's willingness to continue/complete counseling.

In order to report a client as having received Level 4a counseling, the following six documents must be in the file: proof of legitimate referral from servicer, authorization form, verified budget at intake, documentation of back end DTI, Action Plan, and date of follow-up meeting.

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Level 4b

Level 4b can be reported when Level 4a client has completed one follow-up session and the following documents are in the file:

1. Documentation of DTI: The counselor will verify income, debt, and expenses and calculate back end debt-to-income ratio at time of follow-up appointment. The back end DTI is the ratio of the borrower's total monthly debt payments to the borrower's Monthly Gross Income. A standard for calculating back end DTI is included in the Counseling Protocol.
2. Documentation of borrower's ability to keep to crisis budget and/or long-term budget and progress against Action Plan developed during first visit.
3. Status of borrower's payment on modified loan.

In order to report a client as having received Level 4b counseling, the following four documents must be in the file: verified budget at time of second appointment, documentation of back end DTI at time of second appointment, progress against Action Plan and status of borrower's modified loan.

COUNSELING LEVELS

Exhibit 5: National Foreclosure Mitigation Counseling Program Making Home Affordable Eligibility Determination Checklist

Modification (Home Affordable Modification Program (HAMP)): NFMF Program Grantee must screen for eligibility by determining and documenting the following:

	Yes	No
Was the mortgage loan a first lien mortgage loan originated on or before January 1, 2009?		
Has the mortgage been previously modified under HAMP?		
Is the mortgage loan delinquent or is default reasonably foreseeable?		
Is the property securing the mortgage loan vacant or condemned?		
Is the mortgage loan secured by a one- to four-unit property, one unit of which is the borrower's principal residence?		
Is the client's current monthly housing payment ratio greater than 31%?		
Is the current unpaid principal balance of the mortgage less than \$729,750 for a one-unit property, \$934,200 for a two-unit property, \$1,129,250 for a three-unit property, and \$1,403,400 for a four-unit property?		

Refinance (Home Affordable Refinance Program (HARP)): NFMF Program Grantee must screen for eligibility by determining and documenting the following:

	Yes	No
Is client the owner of a one- to four-unit home? (required by NFMF, not HARP)		
Is the loan a first lien, conventional mortgage owned or guaranteed by Fannie Mae or Freddie Mac?		
Is client current on their mortgage (hasn't been more than 30 days late on mortgage payment in last 12 months, or if the mortgage is less than 12 months old, the client has no 30 day delinquencies)?		
Does the client owe 125% or less of the house's current value on the first mortgage?		
Does the client have income sufficient to support the new mortgage payments?		
Does the refinance improve the long-term affordability or stability of the loan?		

FHA Loans For clients with FHA loans, NFMF Program Grantee must screen for eligibility by determining and documenting the following:

	Yes	No
Is client the owner of a one- to four-unit home?		
Is client less than 12 payments behind on their mortgage?		
Does the client have income sufficient to support the new mortgage payments?		
With the modification, will the client's front end DTI be more than 31% and their back end DTI be less than 55%?		
Is the client eligible for the FHA Special Forbearance, or the FHA Loan Modification and Partial Claim?		

Last updated: December 14, 2009

Low-Income AMI Zip Codes

ZIPCODE	Corresponding County Name	Corresponding CBSA Name	Zip Code Median Household Income	Area Median Income	% AMI
96718	Hawaii County	Hilo, HI Micro	\$40,500.00	\$50,404.65	70.9%
96760	Hawaii County	Hilo, HI Micro	\$42,118.00	\$46,547.03	73.8%
96772	Hawaii County	Hilo, HI Micro	\$40,501.00	\$55,177.57	70.9%
96777	Hawaii County	Hilo, HI Micro	\$39,911.00	\$43,251.99	69.9%
96778	Hawaii County	Hilo, HI Micro	\$42,948.00	\$43,251.99	75.2%
96785	Hawaii County	Hilo, HI Micro	\$42,811.00	\$43,251.99	75.0%
96704	Hawaii County	Hilo, HI Micro	\$57,241.00	\$63,195.75	100.3%
96710	Hawaii County	Hilo, HI Micro	\$59,722.00	\$56,502.68	104.6%
96719	Hawaii County	Hilo, HI Micro	\$77,778.00	\$56,502.68	136.2%
96720	Hawaii County	Hilo, HI Micro	\$55,477.00	\$35,470.93	97.2%
96725	Hawaii County	Hilo, HI Micro	\$66,392.00	\$63,195.75	116.3%
96726	Hawaii County	Hilo, HI Micro	\$62,353.00	\$56,502.68	109.2%
96727	Hawaii County	Hilo, HI Micro	\$54,868.00	\$63,739.04	96.1%
96728	Hawaii County	Hilo, HI Micro	\$46,364.00	\$56,502.68	81.2%
96738	Hawaii County	Hilo, HI Micro	\$66,528.00	\$63,195.75	116.5%
96740	Hawaii County	Hilo, HI Micro	\$64,961.00	\$63,195.75	113.8%
96743	Hawaii County	Hilo, HI Micro	\$75,920.00	\$63,739.04	133.0%
96749	Hawaii County	Hilo, HI Micro	\$53,841.00	\$56,502.68	94.3%
96750	Hawaii County	Hilo, HI Micro	\$52,459.00	\$34,247.81	91.9%
96755	Hawaii County	Hilo, HI Micro	\$75,058.00	\$31,056.99	131.5%
96764	Hawaii County	Hilo, HI Micro	\$46,316.00	\$46,783.21	81.1%
96771	Hawaii County	Hilo, HI Micro	\$47,428.00	\$46,783.21	83.1%
96773	Hawaii County	Hilo, HI Micro	\$75,000.00	\$46,783.21	131.4%
96774	Hawaii County	Hilo, HI Micro	\$76,563.00	\$56,502.68	134.1%
96776	Hawaii County	Hilo, HI Micro	\$53,723.00	\$46,783.21	94.1%
96780	Hawaii County	Hilo, HI Micro	\$74,085.00	\$33,351.85	129.8%
96781	Hawaii County	Hilo, HI Micro	\$53,333.00	\$33,351.85	93.4%
96783	Hawaii County	Hilo, HI Micro	\$60,151.00	\$76,412.23	105.4%
96717	Honolulu County	Honolulu, HI Metro	\$47,067.00	\$50,404.65	67.9%
96731	Honolulu County	Honolulu, HI Metro	\$55,229.00	\$50,404.65	79.7%
96786	Honolulu County	Honolulu, HI Metro	\$50,052.00	\$72,241.35	72.2%
96813	Honolulu County	Honolulu, HI Metro	\$45,947.00	\$72,241.35	66.3%
96814	Honolulu County	Honolulu, HI Metro	\$39,700.00	\$72,241.35	57.3%
96815	Honolulu County	Honolulu, HI Metro	\$45,141.00	\$72,241.35	65.1%
96817	Honolulu County	Honolulu, HI Metro	\$49,469.00	\$72,241.35	71.4%
96826	Honolulu County	Honolulu, HI Metro	\$43,883.00	\$72,241.35	63.3%
96863	Honolulu County	Honolulu, HI Metro	\$43,085.00	\$72,241.35	62.2%
96701	Honolulu County	Honolulu, HI Metro	\$78,980.00	\$56,502.68	114.0%
96706	Honolulu County	Honolulu, HI Metro	\$87,647.00	\$56,502.68	126.5%
96707	Honolulu County	Honolulu, HI Metro	\$87,887.00	\$63,739.04	126.8%

Low-Income AMI Zip Codes

ZIPCODE	Corresponding County Name	Corresponding CBSA Name	Zip Code Median Household Income	Area Median Income	% AMI
96712	Honolulu County	Honolulu, HI Metro	\$63,727.00	\$56,502.68	92.0%
96730	Honolulu County	Honolulu, HI Metro	\$63,318.00	\$35,470.93	91.4%
96734	Honolulu County	Honolulu, HI Metro	\$88,111.00	\$63,195.75	127.2%
96744	Honolulu County	Honolulu, HI Metro	\$91,281.00	\$63,739.04	131.7%
96762	Honolulu County	Honolulu, HI Metro	\$68,083.00	\$38,111.46	98.3%
96782	Honolulu County	Honolulu, HI Metro	\$78,306.00	\$38,111.46	113.0%
96789	Honolulu County	Honolulu, HI Metro	\$96,359.00	\$38,111.46	139.1%
96791	Honolulu County	Honolulu, HI Metro	\$64,827.00	\$46,783.21	93.6%
96792	Honolulu County	Honolulu, HI Metro	\$55,977.00	\$46,783.21	80.8%
96795	Honolulu County	Honolulu, HI Metro	\$67,861.00	\$46,783.21	97.9%
96797	Honolulu County	Honolulu, HI Metro	\$80,873.00	\$46,783.21	116.7%
96816	Honolulu County	Honolulu, HI Metro	\$72,054.00	\$46,783.21	104.0%
96818	Honolulu County	Honolulu, HI Metro	\$65,485.00	\$46,783.21	94.5%
96819	Honolulu County	Honolulu, HI Metro	\$62,843.00	\$38,103.38	90.7%
96821	Honolulu County	Honolulu, HI Metro	\$108,620.00	\$38,103.38	156.8%
96822	Honolulu County	Honolulu, HI Metro	\$59,838.00	\$38,103.38	86.4%
96825	Honolulu County	Honolulu, HI Metro	\$98,909.00	\$38,103.38	142.7%
96853	Honolulu County	Honolulu, HI Metro	\$56,250.00	\$38,103.38	81.2%
96858	Honolulu County	Honolulu, HI Metro	\$63,393.00	\$43,618.91	91.5%
96860	Honolulu County	Honolulu, HI Metro	\$66,071.00	\$43,618.91	95.4%
96861	Honolulu County	Honolulu, HI Metro	\$67,500.00	\$38,419.23	97.4%
96742	Kalawao County	Unassigned Area in Hawaii	\$14,999.00	\$33,351.85	45.0%
96747	Kauai County	Kapaa, HI Micro	\$49,032.00	\$43,223.35	78.4%
96769	Kauai County	Kapaa, HI Micro	\$40,786.00	\$46,547.03	65.3%
96705	Kauai County	Kapaa, HI Micro	\$64,648.00	\$80,992.85	103.4%
96716	Kauai County	Kapaa, HI Micro	\$66,530.00	\$63,739.04	106.4%
96722	Kauai County	Kapaa, HI Micro	\$65,190.00	\$56,502.68	104.3%
96741	Kauai County	Kapaa, HI Micro	\$75,302.00	\$63,195.75	120.5%
96746	Kauai County	Kapaa, HI Micro	\$57,602.00	\$56,502.68	92.2%
96752	Kauai County	Kapaa, HI Micro	\$59,659.00	\$63,739.04	95.4%
96754	Kauai County	Kapaa, HI Micro	\$54,365.00	\$48,291.93	87.0%
96756	Kauai County	Kapaa, HI Micro	\$65,743.00	\$38,111.46	105.2%
96766	Kauai County	Kapaa, HI Micro	\$67,645.00	\$76,412.23	108.2%
96796	Kauai County	Kapaa, HI Micro	\$62,793.00	\$46,783.21	100.5%
96729	Maui County	Kahului-Wailuku, HI Micro	\$46,190.00	\$50,404.65	69.4%
96748	Maui County	Kahului-Wailuku, HI Micro	\$47,857.00	\$44,352.20	71.9%
96770	Maui County	Kahului-Wailuku, HI Micro	\$36,705.00	\$46,547.03	55.2%
96708	Maui County	Kahului-Wailuku, HI Micro	\$59,197.00	\$56,502.68	89.0%
96713	Maui County	Kahului-Wailuku, HI Micro	\$58,774.00	\$34,247.81	88.3%
96732	Maui County	Kahului-Wailuku, HI Micro	\$63,011.00	\$63,195.75	94.7%

Low-Income AMI Zip Codes

ZIPCODE	Corresponding County Name	Corresponding CBSA Name	Zip Code Median Household Income	Area Median Income	% AMI
96753	Maui County	Kahului-Wailuku, HI Micro	\$64,630.00	\$76,412.23	97.1%
96757	Maui County	Kahului-Wailuku, HI Micro	\$53,689.00	\$46,783.21	80.7%
96761	Maui County	Kahului-Wailuku, HI Micro	\$73,731.00	\$46,783.21	110.8%
96763	Maui County	Kahului-Wailuku, HI Micro	\$60,487.00	\$33,351.85	90.9%
96768	Maui County	Kahului-Wailuku, HI Micro	\$74,332.00	\$76,412.23	111.7%
96779	Maui County	Kahului-Wailuku, HI Micro	\$76,184.00	\$33,351.85	114.5%
96790	Maui County	Kahului-Wailuku, HI Micro	\$78,881.00	\$34,247.81	118.6%
96793	Maui County	Kahului-Wailuku, HI Micro	\$67,316.00	\$46,783.21	101.2%

MINORITY ZIP CODES

ZIPCODE	Corresponding County Name	Corresponding CSBA Name	Corresponding City	% minority households
01003	Hampshire County	Springfield, MA Metro	Amherst	56.00%
96704	Hawaii County	Hilo, HI Micro	Captain Cook	51.87%
96710	Hawaii County	Hilo, HI Micro	Hakalau	62.28%
96718	Hawaii County	Hilo, HI Micro	Hawaii National Park	62.20%
96720	Hawaii County	Hilo, HI Micro	Hilo	75.40%
96727	Hawaii County	Hilo, HI Micro	Honokaa	57.16%
96728	Hawaii County	Hilo, HI Micro	Honomu	65.77%
96738	Hawaii County	Hilo, HI Micro	Waikoloa	52.59%
96743	Hawaii County	Hilo, HI Micro	Kamuela	52.03%
96749	Hawaii County	Hilo, HI Micro	Keaau	58.58%
96750	Hawaii County	Hilo, HI Micro	Kealahou	50.16%
96755	Hawaii County	Hilo, HI Micro	Kapaau	64.44%
96760	Hawaii County	Hilo, HI Micro	Kurtistown	57.05%
96764	Hawaii County	Hilo, HI Micro	Laupahoehoe	64.38%
96771	Hawaii County	Hilo, HI Micro	Mountain View	55.13%
96776	Hawaii County	Hilo, HI Micro	Paaui	61.31%
96777	Hawaii County	Hilo, HI Micro	Pahala	62.14%
96781	Hawaii County	Hilo, HI Micro	Papaikou	70.24%
96783	Hawaii County	Hilo, HI Micro	Pepeekeo	67.10%
96701	Honolulu County	Honolulu, HI Metro	Aiea	77.31%
96706	Honolulu County	Honolulu, HI Metro	Ewa Beach	75.64%
96707	Honolulu County	Honolulu, HI Metro	Kapolei	70.74%
96717	Honolulu County	Honolulu, HI Metro	Hauula	63.45%
96730	Honolulu County	Honolulu, HI Metro	Kaaawa	52.71%
96731	Honolulu County	Honolulu, HI Metro	Kahuku	64.30%
96744	Honolulu County	Honolulu, HI Metro	Kaneohe	67.92%
96762	Honolulu County	Honolulu, HI Metro	Laie	60.06%
96782	Honolulu County	Honolulu, HI Metro	Pearl City	82.78%
96786	Honolulu County	Honolulu, HI Metro	Wahiawa	73.96%
96789	Honolulu County	Honolulu, HI Metro	Mililani	73.89%
96791	Honolulu County	Honolulu, HI Metro	Waiiala	61.26%
96792	Honolulu County	Honolulu, HI Metro	Waianae	80.72%
96795	Honolulu County	Honolulu, HI Metro	Waimanalo	74.68%
96797	Honolulu County	Honolulu, HI Metro	Waipahu	87.78%
96813	Honolulu County	Honolulu, HI Metro	Honolulu	75.32%
96814	Honolulu County	Honolulu, HI Metro	Honolulu	80.37%
96815	Honolulu County	Honolulu, HI Metro	Honolulu	57.89%
96816	Honolulu County	Honolulu, HI Metro	Honolulu	74.91%
96817	Honolulu County	Honolulu, HI Metro	Honolulu	84.40%
96818	Honolulu County	Honolulu, HI Metro	Honolulu	69.56%

MINORITY ZIP CODES

ZIPCODE	Corresponding County Name	Corresponding CSBA Name	Corresponding City	% minority households
96819	Honolulu County	Honolulu, HI Metro	Honolulu	88.41%
96821	Honolulu County	Honolulu, HI Metro	Honolulu	65.20%
96822	Honolulu County	Honolulu, HI Metro	Honolulu	71.26%
96825	Honolulu County	Honolulu, HI Metro	Honolulu	60.01%
96826	Honolulu County	Honolulu, HI Metro	Honolulu	81.27%
96742	Kalawao County	Unassigned Area in Hawaii	Kalaupapa	68.82%
96705	Kauai County	Kapaa, HI Micro	Eleele	84.48%
96716	Kauai County	Kapaa, HI Micro	Hanapepe	72.69%
96746	Kauai County	Kapaa, HI Micro	Kapaa	56.45%
96747	Kauai County	Kapaa, HI Micro	Kaumakani	95.67%
96752	Kauai County	Kapaa, HI Micro	Kekaha	75.65%
96756	Kauai County	Kapaa, HI Micro	Koloa	49.90%
96766	Kauai County	Kapaa, HI Micro	Lihue	71.93%
96769	Kauai County	Kapaa, HI Micro	Makaweli	79.79%
96796	Kauai County	Kapaa, HI Micro	Waimea	78.54%
96713	Maui County	Kahului-Wailuku, HI Micro	Hana	60.56%
96729	Maui County	Kahului-Wailuku, HI Micro	Hoolehua	75.14%
96732	Maui County	Kahului-Wailuku, HI Micro	Kahului	84.27%
96748	Maui County	Kahului-Wailuku, HI Micro	Kaunakakai	70.14%
96757	Maui County	Kahului-Wailuku, HI Micro	Kualapuu	82.73%
96763	Maui County	Kahului-Wailuku, HI Micro	Lanai City	71.75%
96770	Maui County	Kahului-Wailuku, HI Micro	Maunaloa	61.47%
96793	Maui County	Kahului-Wailuku, HI Micro	Wailuku	71.57%

GUIDANCE ON MATCH FUNDS FOR NPMC ROUND 5

- Match can be cash or in-kind (e.g., staff time, office space, volunteer time, donated equipment, etc.). In-kind valuation will be considered consistent with requirements for other federal grant programs. Guidance is posted at www.nw.org/npmc.
- Applicant match must be related to Applicants' foreclosure mitigation program. This program must include foreclosure intervention counseling, but may also include such activities as triage, outreach, or mortgage workout funding (both grants and loans), plus any administrative or overhead expenses associated with the program.
- Match need not be new resources generated for this grant program, but must be related to foreclosure counseling rather than the Applicant's general housing counseling program.
- Other federal funds, with the exception of Community Development Block Grant (CDBG) Funds, may not be counted toward match requirements. Examples of federal funds ineligible for use as match include (but are not limited to) other HUD Housing Counseling funds, all previous NPMC awards (including Legal Assistance), HOME Funds, Neighborhood Stabilization Program, and grants awarded by NeighborWorks to its chartered members from Congressionally appropriated dollars.
- If grantee uses non-restricted net assets or retained earnings as sources of match funds, Grantee must retain back-up documentation that these funds are available and are credited to the foreclosure counseling budget. Examples of supporting documentation are financial records (i.e. profit and loss & balance sheet statements, management accounts, approved budget clearly showing NPMC match funds, etc.); signed minutes of meetings committing these funds, Board or agency resolutions and third-party confirmations.
- Examples of funds that are eligible for match include (but are not limited to): fees received from servicers or lenders for providing foreclosure counseling to clients not counted under this program, or for counseling costs over and above what NPMC pays for; funds received to capitalize mortgage rescue funds; Community Development Block Grant (CDBG) funds; foundation and corporate grants received for operating a foreclosure counseling and mitigation program; municipal, county, or state grants for operating a foreclosure counseling and mitigation program (as long as the funds do not have a federal source); contract income; and unrestricted funds or net assets dedicated toward the foreclosure program.
- The match "window," or period within which the match must be expended or raised, extends from April 1, 2010 to December 31, 2011. Any expenditures related to the Applicants' foreclosure mitigation program that occur between April 1, 2010 and the date award funds are received are eligible to be counted toward the match as long as they are not counted as the match for NPMC Round 1, Round 2, Round 3, Round 4 or Legal Assistance Funds. Funds raised before this time period can be counted toward the match as long as they will be expended during the time frame April 1, 2010 – December 31, 2011.
- Applicants need not have all the match committed at the time of application, but can include funds they expect to raise during the year and any qualifying funds they have expended since April 1, 2010. Once grant funds are awarded, draws will be contingent upon Grantees' ability to demonstrate at least the amount of match proportional to the draw amount, including the initial disbursement, has been committed or expended.

Applicant Certifications

The undersigned Applicant certifies that it:

1. Has a current certificate of good standing under the laws of Hawaii.
2. Is currently authorized to do business in Hawaii.
3. Meets or exceeds HUD's minimal standards for approval as a HUD housing counseling agency (<http://www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm>).
4. Has counseling offices and services that are accessible to people with disabilities.
5. Has counselors fluent in the language that customers speak or will use interpreter services to ensure non-English speaking customers can obtain foreclosure intervention counseling.
6. Will not permit discrimination against customers on the basis of their gender, race, religion, color, familial status, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability.
7. Will adhere to the National Industry Standards Code of Ethics and Conduct and offer (as appropriate) the Minimum Standard Activities for Foreclosure Intervention and Default Counseling (<http://www.nw.org/network/nfmcp/documents/NationalIndustryForeclosureCounselingStandards-FINAL.pdf>).
8. Will adhere to the National Industry Standards for Homeownership Education and Counseling guidelines on disposing of personally-identifiable information in Hawaii, which state, "Homeownership educators/counselors will dispose of clients' records in a manner that protects clients' confidentiality and is consistent with state statutes governing records and social work licensure."
9. Currently uses CounselorMax, NStep, or Home Counselor Online **or** Applicant uses alternative client management system that will supply, electronically, the necessary client-level and aggregate reporting. NeighborWorks® will make available a template for data modification and submission.
10. Agrees to comply with quality control, compliance and evaluation of the NFMC program through December 31, 2013.
11. Certifies that the staff and volunteers who will provide foreclosure intervention counseling under NFMC have no conflict(s) of interest due to relationships with servicers, real estate agencies, mortgage lenders and/or other entities that may stand to benefit from particular counseling outcomes.
12. Certifies that it has documented counseling capacity, outreach capacity, past successful performance and positive outcomes with documented counseling plans, including foreclosure mitigation counseling.
13. Certifies that all NFMC clients will be owner-occupants of their homes at the time they receive counseling.

Name of Organization: _____

Name/Title: _____ Signature: _____

Date: _____ Phone no.: _____ E-mail: _____

Name of Organization: _____

1. Does your organization meet the “demonstrated experience” criteria as indicated below?

Please answer “Yes” or “No”: _____

The organization has:

- A. Worked successfully with financial institutions and servicers, and with clients facing default, delinquency, and foreclosure; AND
- B. Documented counseling capacity, outreach capacity, past successful performance and positive outcomes with documented counseling plans (including post mortgage foreclosure mitigation counseling), loan workout agreements, and loan modification agreements; AND
- C. Achieved at least *one* of the following:
 - 1) Provided foreclosure counseling services that included documented Action Plans to at least 50 people during the past year or 20 people during the past quarter; OR
 - 2) 75 percent or more of the service area is rural and Applicant provided foreclosure intervention counseling services which included documented Action Plans to at least 25 people during the past year or 10 people during the past quarter; OR
 - 3) Provided foreclosure counseling services which include documented Action Plans to at least 12 people during the past year AND has at least one comprehensively trained and qualified foreclosure counselor on staff.

Name of Organization: _____

- 2. Describe your organization's service delivery model.** Be precise and fully describe the model, with emphasis on any aspects that may be unique.

Existing NFMC sub-grantees should give additional description on improvements or changes you have made and provide quantitative evidence on how those adjustments have improved your program's efficiency and/or effectiveness.

- a. Describe **intake and triage procedures**.

- b. What is the **expected response time** to each homeowner's request for counseling?

- c. Describe **method(s) of counseling used**, including face to face, phone, internet, email, and/or group education/workshops.

Name of Organization: _____

- d. **Mode(s) of counseling.** Please enter the percentage of clients that receive each service as their primary service type, with all entries totaling 100%. Enter 0 for none.

In Person	%
Telephone	%
Group education/workshops	%
Online*	%
Web-based*	%
Other*:	%
Total	100%

*If you entered “Other,” “Online”, or” Web-based,” please **describe how your organization provides personal contact** to both Level One and Level Two clients:

- e. If funded under **NFMC Round 5**, how many full-time equivalent (FTE) foreclosure counselors and other foreclosure staff would your organization have working on the program? (If your organization has part-time staff or staff that split their time, enter a decimal number, like 4.75.)

Foreclosure counselors: _____ FTE

Other foreclosure staff:

Provide title (e.g., Negotiator, Program Manager, Intake Worker) and number:

_____ FTE

_____ FTE

_____ FTE

_____ FTE

Name of Organization: _____

- f. Describe **counseling staff roles**, including if counselors or other staff that work with foreclosure counselors (intakers, negotiators) are full-time, part-time, or volunteer; and if they are fully dedicated to foreclosure services, or if counselors or other staff split their time between counseling and management or other programs.

- g. Describe **staffing models** – describe if counselors or other staff complete all portions of foreclosure counseling or if they are specialized in any way to handle only certain aspects of the process. (For example, some counselors do only intake and budget counseling, while other counselors are dedicated to securing outcomes and all negotiations with servicers.)

- h. Describe **data collection**, consolidation, and reporting procedures.

- i. Describe **methods of communicating** with loan servicers during the counseling process

Name of Organization: _____

3. If you previously received NFMC funds, describe any challenges you have experienced in implementing your previous NFMC award(s). Discuss plans or procedures you have put in place to address these challenges. Any challenge your organization experienced may be addressed in your response, but suggestions of possible topics include: staff turnover, hiring new staff, training new and existing staff, quality control, managing change in counseling demand, marketing and outreach, grant administration and reporting, data management, and reaching projected goals. Where possible and appropriate, quantify your challenges and the impact of the solutions you implemented. For example, instead of just citing problems with staff turnover, quantify the staff turnover and how it affected your counseling activity. When you describe the solutions you implemented, quantify recent staff turnover and progress towards achieving counseling goals.

4. If your organization is **currently providing services under NFMC Round 4**, by what date does your organization expect to fully expend all awarded funds?

Expected date to expend NFMC Round 4 funds: _____

5. If your organization had **compliance findings (including material weaknesses) from the NFMC Program Round 2 and 3 reviews** in 2010, please provide a copy of your organization's compliance monitoring response letter:
- Please attach a copy of your organizations' compliance monitoring response letter.
 - Indicate whether your organization has put in place measures to ensure similar findings are avoided in the future.

Name of Organization: _____

6. Does your organization meet the National Industry Standards for Homeownership Education and Counseling standards for disposing of personally-identifiable information, which state, “Homeownership educators/counselors will dispose of clients’ records in a manner that protects clients’ confidentiality and is consistent with state statutes governing records and social work licensure”? (Go to www.nw.org/nfmc to access national industry standards.)

a. Please answer “Yes” or “No”: _____

b. Describe how your organization stores client records.

c. Explain how the manner in which you store client records ensures privacy and protects confidentiality.

d. Describe your organization's methods of disposing of client records or other identifiable documents and how this aligns with state statutes.

7. Proposed Counseling Services

In the table below, please fill out the estimated number of new foreclosure intervention customers that your organization intends to serve with NFMC Round 5 funds. (See Exhibit A for definitions of Counseling Levels)

Goals with NFMC Round 5 Funding									
Number of Customers Receiving Foreclosure Counseling with NFMC Funds									
“Level One” Counseling					“Level Two” Counseling				
10/1/10- 12/31/10	1/1/11- 3/31/11	4/1/11- 6/30/11	7/1/11- 12/31/11	Total	10/1/10- 12/31/10	1/1/11- 3/31/11	4/1/11- 6/30/11	7/1/11- 12/31/11	Total

Name of Organization: _____

From the “Goals” table, above, calculate your maximum counseling award.

	No. Units	Fee Amount	Total \$
“Level One” Units		x \$150.00	
“Level Two” Units		x \$300.00	
Maximum counseling award			

8. Program-Related Support

If HHFDC is awarded NFMC Round 5 funds, 20% of the counseling award is for Program-Related support. Program-related support includes, but is not limited, to the following:

- Establishing a triage system that makes more effective and efficient use of counseling time so counselors are not scheduling and reserving time with clients seeking help with situations not related to mortgage and home foreclosure. Triage can also ensure that clients are better prepared for the counseling session – they have gathered documents and information, for example.
 - Outreach to delinquent clients, especially in areas of greatest need. The earlier a delinquent homeowner reaches out for assistance, the more probable the success. Outreach strategies are encouraged which draw delinquent homeowners from your organization's communities to come for assistance well before the foreclosure notice is received.
 - Group orientation and education sessions to help use counseling time more effectively.
 - Registering attendees, preparing for and delivering these sessions are all eligible uses.
 - Infrastructure development and communication
 - Improving Applicant capacity and infrastructure for tracking and reporting data
 - Costs related to hiring, orienting, and training new counseling staff
 - Purchasing or leasing equipment and software for counselors
 - Collecting data and preparing quarterly reports and draw requests
 - Quality control of the counseling function
 - Outreach and communication on preventing rescue or loan modification scams
- a. **Describe how your organization will use the Program-Related support to achieve your projected Round 5 Counseling Goals. Show how your organization's plan will increase the effectiveness and efficiency of your foreclosure counseling program.** For example, upgrading technology might improve the speed and efficiency of data entry, or funds invested in training might help new staff improve the quality and effectiveness of their counseling.

Name of Organization: _____

- b. **Please provide major budget line-items and costs that are related to your organization's proposed plan.** Funds for program-related support are not intended to be indirect or administrative fees/ rather, they are meant primarily to support direct costs associated with increasing the effectiveness and efficiency of your foreclosure counseling program.

Program-related support line item	Amount
	\$
Total*	\$

*Note that total program-related support is 20% of your maximum counseling award from question no. 6, above.

9. **Estimate the total number of units of counseling you expect to deliver in the following geographic areas:**

Area	No. of Counseling Units
City and County of Honolulu	
County of Hawaii	
County of Kauai	
County of Maui	
TOTAL	

10. **If you were to receive NFMC Round 5 funding, what percentage of your total counseling units do you commit to provide to households living in low-income zip codes?** See Exhibit B for list of low-income zip codes.

____%

11. **If you were to receive NFMC Round 5 funding, what percentage of your total counseling units do you commit to provide to households living in minority zip codes?** See Exhibit B for list of minority zip codes.

____%

Name of Organization: _____

- 12. If you were to receive NFMC Round 5 funding, what percentage of your total counseling units do you commit to provide to low-income homeowners?**

____%

- 13. If you were to receive NFMC Round 5 funding, what percentage of your total counseling units do you commit to provide to minority homeowners?**

____%

- 14. Describe how your organization's outreach and marketing strategy is designed to specifically reach the low-income/minority zip codes and homeowners?** Include all methods of marketing and outreach including partnerships, mailings, neighborhood events and so on, and describe how these methods will help your organization achieve its Round 5 NFMC goals.

- 15. A 20% match is required to secure NFMC Round 5 funding.** Match can be cash or in-kind (e.g., staff time, office space, volunteer time, donated equipment, etc.) See Exhibit C for guidance on match.

Please complete the table below.

Source of Match	Amount	Cash or In-kind	Funding Status*
Total Match	\$		

* Enter Funding Status: Expended, Committed, Pending, or Anticipated

NFMC Round 5 Application – Due December 20, 2010 by 2:00 p.m.

Name of Organization: _____

16. Total NFMC Amount Requested

	No. Units	Fee Amount	Total \$
"Level One" Units		x \$150.00	
"Level Two" Units		x \$300.00	
Total Counseling Units			
Program-related support		@ 20%	
TOTAL COUNSELING AND PROGRAM SUPPORT			\$

Submitted by:

Name of Organization: _____

Name/Title: _____ Signature: _____

Date: _____ Phone no.: _____ E-mail: _____

Please submit your completed application to:

Hawaii Housing Finance and Development Corporation

Attention: PEO

677 Queen Street, Suite 300

Honolulu, Hawaii 96813

HHFDC must time stamp your application by December 20, 2010 at 2:00 p.m.